

Why Your Company Needs to Rethink Its Purpose to Acquire Loyal Customers – And Drive More Sales.

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Becoming an entrepreneur and creating a company that creates positive change is a dream that has driven ambitious people since the beginning of the modern economy.

But where do you start? How will you create a meaningful product or service that stands out amid the noise of today's highly competitive and saturated marketplace? The traditional path of finding a niche and competing on quality or price is no longer enough.

Today, if you want truly enduring and evangelical customer loyalty, you must deliver an authentic product or service that resonates with customers on an emotional level. It is important to connect them to other people, making them sincerely feel like they are part of something bigger than themselves. In short, you need to start a movement.

For hundreds of years, social movements have been catalysts for transformative, impactful and historic change.

Throughout history, they have served as catalysts for profound and transformative change. Dr. Martin Luther King marched on Washington with tens of thousands of supporters as part of the Civil Rights movement. Nelson Mandela's raised fist upon being released from prison after 27 years became a powerful symbol

in the movement that crushed apartheid in South Africa. The women's suffrage movement fought for a century to get voting rights for women in America. Each one of those historic, world-changing movements was anchored in one unifying and all-encompassing force: purpose.

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You may be thinking that those historic movements were important, but what does that have to do with business success? What does purpose have to do with business? Study after study shows that you can't even think about starting a business in today's economy unless it is driven by a clearly defined, tangible and unique purpose. In doing so, you and your team members will be much happier in the process, as supported by Harvard Business Review and other reporting.

Purpose is the equivalent of "why"? The "why" encompasses a company's contributions and impact on the world. It is the company's reason for existing and the reason they are in business in the first place. Purpose is an enabler, a conduit and a vehicle, fueling the innovation of the world's economy. Blackrock's CEO, Larry Fink, says, "Without a sense of purpose, no company, either public or private, can achieve its full potential."

Some of the most successful companies have embraced this ethos and are fully rooted in purpose. When we look at Tesla, we may think its purpose is to sell cars, which is part of it. But its stated true purpose "is to accelerate the world's transition to sustainable energy." That purpose is what drove the EV car revolution – a global movement that powered EV car sales from 0.4% of the light-duty vehicle marketplace in 2004 to 15.8% in 2023. And while it sparked the EV movement, Tesla continues to be its leader. In 2023, it held 19.9% of the global EV market and is the most valuable car company in the world.

The highly profitable clothing company Patagonia is another example of a company that started a movement based on its purpose. In 2022, the company, long known for its environmental activism, doubled down on its purpose, which is updated to “In business to save the planet.”

But it was more than just a statement. With its purpose well defined, Patagonia founder Yvon Chouinard announced the transfer of company ownership (\$3 billion in global assets and \$100 million in annual profits) to a trust fund, with its dividends going to environmental advocacy organizations. With this bold support of her own movement, Chouinard declared, “Earth is our only shareholder.”

In today’s purpose-driven economy, identifying that unifying purpose for your company – your north star – is the most critical aspect of starting any business or social enterprise. Purpose-driven companies make more money, have more engaged employees and more loyal customers and are even better at innovation and transformational change.

Consumers are increasingly supporting businesses that stand on principle. According to Accenture, 62% of consumers want companies to take a stand on important societal issues such as sustainability, transparency and fair employment practices. The demand for authentic and purpose-driven companies is strongest among the younger generations. According to Deloitte, “millennials are driving this societal trend, with 40% of those polled believing the goal of businesses should be to ‘improve society.’” Those who ignore the intersection of business and purpose do so at their own peril, as millennials (those aged 28-43) account for \$15 trillion in global purchasing power.

Related: This CEO Says Prioritizing Purpose Over Profit Is Key to Consistent Growth and Sustainable Profit – Here’s Why.

As a powerhouse financial company, Deloitte is probably not

the first company that comes to mind in thinking of a firm driven by purpose. Yet, it is a strong proponent of the belief that exceptional organizations are led by a purpose. To amplify and advance Deloitte's purpose, it named its first-ever chief purpose officer and established a Purpose Office. Its goals are to consistently embed purpose in the organization's strategy and deepen the impact and positive change they are making for clients, people, and communities.

Trust in a company has long-term benefits by creating brand loyalty and turning customers into advocates for your product. According to Edelman, "trust drives growth. When consumers trust a brand, they are more likely to purchase its products (59%) and stay loyal to and advocate for the brand (67%)."

A company's purpose must start at the top. Whether it's a small business run by a sole proprietor or a major corporation led by a CEO, the leader sets the tone and must lead by example. Employees need to see the commitment to purpose reflected in the actions of leadership; otherwise, the stated purpose becomes nothing more than a catchy slogan that fails to resonate with consumers.

Infusing purpose into your new venture is not merely a trend but a necessity to compete and thrive in the modern economy. To stand out, foster trust and create lasting connections with consumers – in other words, to build a movement – today's companies and organizations need to find their purpose and adopt it fully until it permeates every part of their operation.

By defining and articulating your purpose, you are laying the groundwork to start a business and, perhaps, even a movement. If you do it right, both can build value and help change the world.

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